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Volume 3

MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA  
December 1958

Released Pursuant to \$1000.27 (j) and \$1000.85, Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator

Number 5  
JAN 28 1959  
U.S. DEPARTMENT OF AGRICULTURE

MARKET SUMMARY DECEMBER 1958

The Order MINIMUM uniform price payable to producers for milk delivered during December to pool plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley, and McMinn Counties Tennessee is \$4.80 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.2¢ for each one tenth of one percent above or below 4.0 percent.

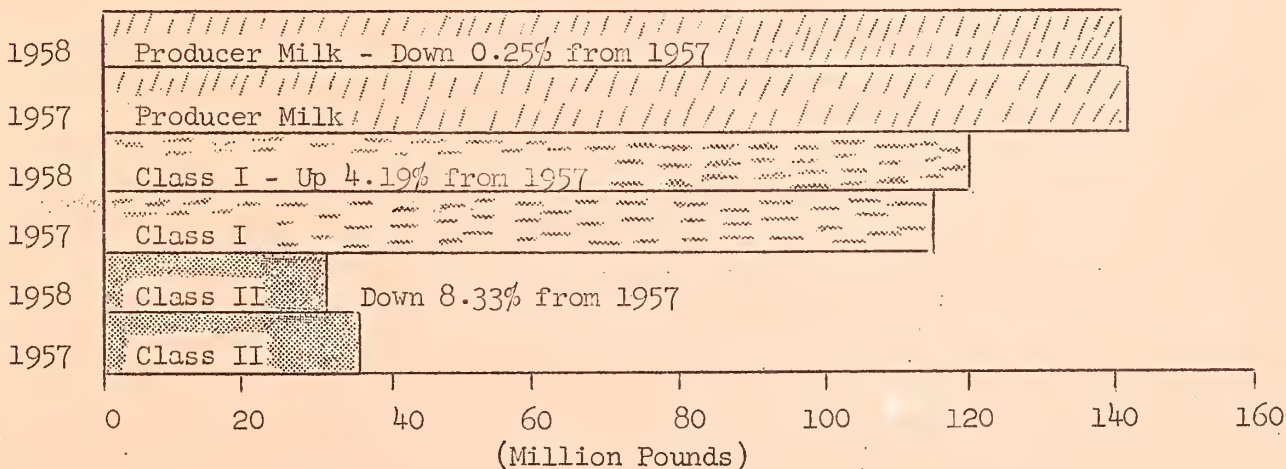
During December 79.8 percent of total producer milk was priced in Class I at \$5.17 per cwt. with a handler butterfat differential of 7.5¢ and 20.2 percent was priced in Class II at \$3.46 per cwt. with a butterfat differential of 6.9¢. (See page 3) The percent of producer skim and butterfat priced in Class I was 80.5% and 65.3% respectively.

The daily average deliveries of producer milk during December decreased 0.9% compared with November and increased 0.8% compared with December 1957. The daily average use of Class I milk decreased 5.4% compared with November and increased 5.7% compared with December 1957.

MILK BASE NOTICE

Chattanooga Marketing Area milk producers will have an established BASE to be used in making payment to such producer during the months of March through July 1959. The 1959 daily average base will be computed by dividing each producer's total Grade "A" milk deliveries to pool plants during September 1958 through January 1959 by the number of days from the first day of delivery to the last day of January, inclusive, but not less than 120 days. August 1958 through February 1959, producers will be paid a uniform blend price for their total milk deliveries. Producers, particularly partnerships, are urged to see that their name is correctly listed with the handler receiving their milk. A BASE WILL NOT BE TRANSFERRED WITHOUT WRITTEN APPLICATION BEING RECEIVED BY THE MARKET ADMINISTRATOR. THE TRANSFER MUST BE SIGNED BY BASEHOLDER AND THE PERSON TO WHOM SUCH BASE IS BEING TRANSFERRED.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION  
(JANUARY THRU DECEMBER)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Dec. '58</u>	<u>Nov. '58</u>	<u>Dec. '57</u>
Number of Plants (Pool and Non-Pool)	20	20	21
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	186,778	198,970	283,290
Producer Milk - Bulk Tank	202,642	193,856	102,952
Total Producer Milk Pounds	389,420	392,826	386,242
% December '58 compared with:	100.0	99.1	100.8
Other Source Milk Pounds	13,063	10,616	10,165
Other Order Milk Pounds	21,965	23,285	11,967
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>424,448</u>	<u>426,727</u>	<u>408,374</u>
% December '58 compared with:	100.0	99.5	103.9
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds			
Fluid Milk	275,645	274,311	255,519
Buttermilk	36,399	36,726	34,353
Chocolate Milk	6,299	7,165	5,789
Fluid Skim	6,609	6,651	4,984
Fluid Creams	2,342	2,106	2,091
Bulk to Non-Handlers	9,477	30,202	15,474
Class I Shrinkage	2,693	962	1,196
Inventory Reclass.	(2,274)	(1,872)	(391)
Overstated Sales	-	-	-
Total Class I Milk	337,190	356,251	319,015
% December '58 compared with:	100.0	94.6	105.7
Class II Milk Pounds (Used to Produce)			
Butter	2,959	4,445	3,704
Cottage Cheese	8,422	9,381	7,955
Powdered and Condensed Milk	48,624	20,263	50,040
Ice Cream	15,388	17,972	11,976
Inventory Variation	(4,881)	8,947	2,146
Other	16,746	9,468	13,538
Total Class II Milk	87,258	70,476	89,359
% December '58 compared with:	100.0	123.8	97.6
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>424,448</u>	<u>426,727</u>	<u>408,374</u>
% Producer Milk of Gross Class I	115.5	110.3	121.1
% Producer Skim of Gross Class I Skim	114.5	109.4	120.1
% Producer Butterfat of Gross Class I Butterfat	141.1	133.0	147.2
% Producer Milk Priced in Class I	79.8	83.7	78.0

JANUARY 1959 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Jan. '59</u>	<u>Dec. '58</u>	<u>Jan. '58</u>
Basic Formula (See page 4)	\$3.46	\$3.42	\$3.54
Plus ( \$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.00	0.00	0.00
Class I Price, 4.0% Butterfat	\$5.21	\$5.17	\$5.29

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: November and December

Supply: Lbs. Producer Milk (Nov. 11,784,761 and Dec. 12,072,024) 23,856,785

Demand: Lbs. Net Class I Milk (Nov. 10,152,582 and Dec. 9,933,397) 20,085,979

Utilization Percentage: Producer Milk divided by Class I 119

Standard Utilization Percentage: Range 117 - 121 119

Net Deviation Percentage: Utiliz. % 119 minus Standard Utiliz. % 119 0

Supply-Demand Adjustment: 2 cents x 0 percentage points \$0.00

Since the supply in relation to the demand is within the desired standard, the price is not affected by the supply-demand provision.



## SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR DECEMBER 1958

Based on 20 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test	Cwt. Price @ Test	Value
Gross Class I		10,452,872	3.694		
Less Other Source		822,285	3.707		
Producer Milk Class I	79.8	9,630,587	3.693129	\$4.939847	\$475,736.26
Gross Class II		2,705,005	7.044		
Less Other Source		263,568	0.518		
Producer Milk Class II	20.2	2,441,437	7.748101	6.046190	147,613.92
TOTAL PROD. (CL. I + CL. II)	100.0	12,072,024	4.513203		623,350.18
Less Fractional Adjustment					.01
Add Compensatory Payment Value		211,768		0.37	783.54
Add Overage Value					117.09
Add Inventory Reclassification Value					1.56
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,534.24
TOTAL VALUE AT TEST		12,072,024	4.513203		629,786.60
Less Test Over 4% @ 7.2¢ per point		12,072,024	.513203	0.369506	44,606.85
TOTAL VALUE AT 4.0%		12,072,024	4.0	4.847404	585,179.75
Less Producer-Settlement Fund Reserve		12,072,024		.047404	5,722.62
UNIFORM PRICE f.o.b. POOL PLANT		12,072,024	4.0	4.80	579,457.13

DECEMBER 1958 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)  
 BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.08	3.6	\$4.512	4.2	\$4.944	4.8	\$5.376	5.4	\$5.808
3.05	4.116	3.65	4.548	4.25	4.98	4.85	5.412	5.45	5.844
3.1	4.152	3.7	4.584	4.3	5.016	4.9	5.448	5.5	5.88
3.15	4.188	3.75	4.62	4.35	5.052	4.95	5.484	5.55	5.916
3.2	4.224	3.8	4.656	4.4	5.088	5.0	5.52	5.6	5.952
3.25	4.26	3.85	4.692	4.45	5.124	5.05	5.556	5.65	5.988
3.3	4.296	3.9	4.728	4.5	5.16	5.1	5.592	5.7	6.024
3.35	4.332	3.95	4.764	4.55	5.196	5.15	5.628	5.75	6.06
3.4	4.368	4.0	4.80	4.6	5.232	5.2	5.664	5.8	6.096
3.45	4.404	4.05	4.836	4.65	5.268	5.25	5.70	5.85	6.132
3.5	4.44	4.1	4.872	4.7	5.304	5.3	5.736	5.9	6.168
3.55	4.476	4.15	4.908	4.75	5.34	5.35	5.772	5.95	6.204

ACTIVITIES OF CHECK TESTERS December 1958: Plant Scales checked 6; Plant calls 112  
 Samples tested - Composite 2,078, Fresh 4,607, Finished Products 235.

## NUMBER OF FARM PAYROLL ACCOUNTS

	1957 1958												
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Cans	667	647	641	626	614	600	586	553	516	490	474	449	433
Bk. Tank	143	157	161	173	184	191	201	229	265	289	303	319	331
TOTAL	810	804	802	799	798	791	787	782	781	779	777	768	764
New	3	2	0	1	3	0	0	2	18	23	6	2	3
Quit	4	8	2	4	4	7	4	7	19	25	8	11	7

The number of producers delivering milk during December 1958 was 46 less than December 1957. However, the daily average deliveries per farm account increased 33 pounds per day. There were 188 producers who started bulk tank deliveries during 1958.

## SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Dec. '57	\$4.87 <u>1</u>	-	-	7.2¢	\$5.28 <u>1</u>	7.7¢	\$3.54	6.9¢
Jan. '58	4.94 <u>1</u>	-	-	7.1	5.29 <u>1</u>	7.8	3.56	6.8
Feb.	5.02 <u>1</u>	-	-	7.1	5.31 <u>1</u>	7.7	3.16	6.8
Mar.	4.90 <u>2</u>	\$5.02 <u>1</u>	\$3.06	7.4	5.32	7.7	3.10	6.8
Apr.	4.57 <u>2</u>	4.83 <u>1</u>	2.98	7.2	5.37	7.7	3.02	6.6
May	4.35 <u>2</u>	4.58 <u>1</u>	2.94	7.2	5.08 <u>1</u>	7.5	2.98	6.6
June	4.33 <u>2</u>	4.48 <u>1</u>	2.95	7.2	4.96 <u>1</u>	7.5	2.99	6.6
July	4.48 <u>2</u>	4.62 <u>1</u>	3.01	7.2	4.95 <u>1</u>	7.5	3.05	6.6
Aug.	4.59 <u>1</u>	-	-	7.2	5.06 <u>1</u>	7.5	3.10	6.7
Sept.	4.77 <u>1</u>	-	-	7.4	4.96 <u>1</u>	7.6	3.45	6.9
Oct.	4.86 <u>1</u>	-	-	7.6	5.14 <u>1</u>	7.8	3.36	6.7
Nov.	4.88 <u>1</u>	-	-	7.4	5.23 <u>1</u>	7.6	3.35	6.7
Dec.	4.80 <u>1</u>	-	-	7.2	5.17 <u>1</u>	7.5	3.46	6.9
Jan. '59	-	-	-	-	5.21 <u>1</u>	7.8	-	-

## SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter 4	Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ lb.	¢ lb.	¢ lb.	Cond.	Cheese	Powder	Milk Mfg.	
Dec. '57	3.146	59.685	14.475	33.250	3.51	3.25	3.54	3.21	3.54
Jan. '58	3.133	59.375	14.535	33.250	3.49	3.24	3.56	3.19	3.56
Feb.	3.110	59.375	14.460	33.250	3.47	3.24	3.53	3.16	3.53
Mar.	3.082	59.308	14.360	32.812	3.45	3.23	3.52	3.10	3.52
Apr.	2.956	57.750	13.405	31.057	3.32	3.13	3.37	3.02	3.37
May	2.896	57.661	12.525	31.727	3.26	3.14	3.33	2.98	3.33
June	2.890	57.750	12.425	31.750	3.25	3.14	3.30	2.99	3.30
July	2.921	57.750	12.545	31.750	3.28	3.14	3.33	3.05	3.33
Aug.	2.960	58.137	12.640	31.770	3.32	3.16	3.35	3.10	3.35
Sept.	2.995	60.250	12.635	32.062	3.37	3.26	3.45	3.11	3.45
Oct.	3.040	58.364	12.685	32.700	3.42	3.18	3.36	3.14	3.42
Nov.	3.054	58.016	12.780	32.094	3.42	3.16	3.35	3.18	3.42
Dec.	3.071	60.330	12.705	31.688	3.43	3.25	3.46	3.21	3.46

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK <sup>3</sup>				Gross Rcpts.	Number or Hdlr.Prod		Deliveries Per Farm -- Pounds			Prod. Milk Test %
	Gross Cl. I	Prod. Cl. I	Prod. Rcpts.	Base Rcpts.				Prod.	Base	Exc.	
Dec. '57	319,015	301,282	386,242	-	408,374	22	810	477	-	-	4.50
Jan. '58	333,724	316,224	386,527	-	407,418	22	804	481	-	-	4.48
Feb.	337,832	319,309	363,475	-	385,707	22	802	453	-	-	4.47
Mar.	329,719	310,776	376,313	353,279	400,141	23	799	471	442	29	4.30
Apr.	315,814	292,133	431,190	371,749	458,987	23	798	540	466	74	4.22
May	311,391	287,275	429,256	369,197	458,164	21	791	543	467	76	4.22
June	288,811	265,772	382,696	344,531	411,822	21	787	486	438	48	4.11
July	300,068	276,595	359,524	328,401	389,251	21	782	460	420	40	4.16
Aug.	324,059	297,463	383,430	-	415,307	21	781	491	-	-	4.11
Sept.	379,939	350,615	392,148	-	429,253	21	779	503	-	-	4.17
Oct.	372,297	346,532	395,318	-	427,085	20	777	509	-	-	4.35
Nov.	356,251	328,796	392,826	-	426,727	20	768	511	-	-	4.43
Dec.	337,190	310,664	389,420	-	424,448	20	764	510	-	-	4.51

<sup>1</sup> Excludes Premium<sup>2</sup> For statistics only<sup>3</sup> Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base